

**Notes to the financial statements continued****20 Creditors: amounts falling due within one year**

	Notes	Group 2002 £'000	Group 2001 £'000	Company 2002 £'000	Company 2001 £'000
Unsecured loan notes	23	7,915	7,915	7,915	7,915
Trade creditors		8,809	8,274	8,809	8,274
Due to subsidiary companies		—	—	134	138
Corporation tax		1,953	880	1,940	871
Other taxation and social security		2,188	4,200	2,188	4,200
Dividends		3,154	3,205	3,154	3,205
Other creditors		30	56	30	56
Interest accrual		633	768	633	768
Capital accrual		370	714	370	714
Accruals and deferred income		7,206	5,589	7,159	5,556
Amounts due under finance leases	23	3,151	2,641	3,151	2,641
<b>Creditors: amounts falling due within one year</b>		<b>35,409</b>	<b>34,242</b>	<b>35,483</b>	<b>34,338</b>

**21 Creditors: amounts falling due after one year**

	Notes	Group 2002 £'000	Group 2001 £'000	Company 2002 £'000	Company 2001 £'000
Unsecured loan notes	23	23,744	31,659	23,744	31,659
Trade creditors		60	91	60	91
Accruals and deferred income		501	722	501	722
Amounts due under finance leases	23	5,903	5,575	5,903	5,575
<b>Creditors: amounts falling due after one year</b>		<b>30,208</b>	<b>38,047</b>	<b>30,208</b>	<b>38,047</b>

**22 Derivatives and other financial instruments**

The Group's financial instruments comprise cash, liquid resources, borrowings, and other items such as trade debtors and trade creditors that arise directly from its operations. The principal function of these financial instruments is to raise finance for the Group's operations. The main risks arising from the Group's financial instruments, after taking advantage of the exemption available for short-term debtors and creditors, can be analysed as follows:

*Interest rate risk:* The Group's trading operations are financed through a mixture of retained profits, liquid resources, borrowings and deferred payment terms with some financial instruments at fixed, some at floating rates of interest.

*Liquidity risk:* The Group's policy has been to ensure continuity of funding through acquiring an element of the Group's fixed assets on deferred payment terms, and arranging funding via medium term loans and additional revolving credit facilities to aid short-term flexibility. This is reflected in short-term loans, loan notes and finance lease liabilities disclosed below.

*Foreign currency risk:* The Group's policy is to minimise foreign currency risk and the Group's present exposure to foreign currency risk through trading is limited. Foreign currency risk on the US loan notes has been eliminated via interest and currency swaps, providing an effective sterling loan and fixed sterling interest rate, other than an additional premium agreed, as outlined in note 9.

*Finance lease liabilities:* The Group's finance lease liabilities incur fixed rate interest, with the weighted average interest rate of 7.1% (2001: 7.7%) over the weighted average period of 3.1 years (2001: 3.3 years). These are secured on the asset concerned.

*Bank loans:* The Group has unsecured short-term loan facilities with two (2001: two) banks with interest rates fixed at the time of drawing down on the facility. Bank loans at the year end were £nil (2001: £nil).

*Unsecured loan notes:* On the 31 March 1998, the Group issued \$65 million unsecured loan notes with a fixed sterling interest rate of 7.35%, and entered into currency swap agreements covering the duration of the notes. This removes all currency exposure, both on interest payments and principal repayments on the original issue, although an additional US dollar 0.25% premium now payable will vary in sterling terms with exchange rate fluctuations, as outlined in note 9. The notes are repayable in five equal annual instalments which commenced in March 2002.

*Fixed rate liabilities:* In summary, for all fixed rate financial liabilities, the weighted average interest rate in total is 7.3% (2001: 7.4%) over the weighted average period in total of 2.4 years (2001: 2.9 years).

**22 Derivatives and other financial instruments (continued)**

*Onerous lease provisions:* The Group's provisions of £0.27 million (2001: £0.75 million) for commitments on closed leasehold properties meet the definition of financial liabilities. They have an interest rate of 0% (2001: 0%) and are discussed further in notes 23 and 24.

*Currency risk exposure:* At the year end, the Group's exposure to currency movements was negligible, relating only to foreign currency bank balances, none of which were material.

*Liquidity analysis:* The maturity profile of the Group's financial liabilities at 29 June 2002 is given in note 23, where the carrying value of all liabilities is not materially different from their fair values.

*Borrowing facilities:* The total borrowing facilities of the Group, together with the maturity of any undrawn facilities, is given below:

	Loan notes 2002 £'000	Bank loans 2002 £'000	Total 2002 £'000	Loan notes 2001 £'000	Bank loans 2001 £'000	Total 2001 £'000
<b>Maturity analysis of facilities:</b>						
Total borrowing facilities	31,659	35,000	66,659	39,574	35,000	74,574
Less: Amounts utilised	(31,659)	—	(31,659)	(39,574)	—	(39,574)
<b>Borrowing facilities available</b>	<b>—</b>	<b>35,000</b>	<b>35,000</b>	<b>—</b>	<b>35,000</b>	<b>35,000</b>
<i>Analysis of maturity:</i>						
Within one year	—	—	—	—	—	—
Between one and two years	—	35,000	35,000	—	—	—
Between two and five years	—	—	—	—	35,000	35,000
<b>Borrowing facilities available</b>	<b>—</b>	<b>35,000</b>	<b>35,000</b>	<b>—</b>	<b>35,000</b>	<b>35,000</b>

**23 Maturity profile of financial liabilities – Group**

	Loans and loan notes 2002 £'000	Loans and loan notes 2001 £'000	Finance lease obligations 2002 £'000	Finance lease obligations 2001 £'000	Onerous lease provisions 2002 £'000	Onerous lease provisions 2001 £'000
Bank loans	—	—	—	—	—	—
Unsecured loan notes	31,659	39,574	—	—	—	—
Finance leases	—	—	9,054	8,216	—	—
Onerous lease provision	—	—	—	—	274	750
<b>Total financial liabilities</b>	<b>31,659</b>	<b>39,574</b>	<b>9,054</b>	<b>8,216</b>	<b>274</b>	<b>750</b>
<i>Falling due:</i>						
Within one year	7,915	7,915	3,151	2,641	21	45
Between one and two years	7,915	7,915	2,725	2,361	33	52
Between two and five years	15,829	23,744	3,178	3,214	120	247
After five years	—	—	—	—	100	406
<b>Total financial liabilities</b>	<b>31,659</b>	<b>39,574</b>	<b>9,054</b>	<b>8,216</b>	<b>274</b>	<b>750</b>